

**LEGISLATIVE SERVICES AGENCY  
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**FISCAL IMPACT STATEMENT**

**LS 6717**

**BILL NUMBER:** SB 284

**NOTE PREPARED:** Dec 27, 2007

**BILL AMENDED:**

**SUBJECT:** Purchase Price of Certain Medications.

**FIRST AUTHOR:** Sen. Sipes

**FIRST SPONSOR:**

**BILL STATUS:** As Introduced

**FUNDS AFFECTED:** X GENERAL  
X DEDICATED  
FEDERAL

**IMPACT:** State & Local

**Summary of Legislation:** This bill requires a pharmacist to charge a person who is prescribed a drug containing ephedrine or pseudoephedrine the over-the-counter price of the drug if the over-the-counter price is less than the price of the drug as a prescription.

**Effective Date:** July 1, 2008.

**Explanation of State Expenditures:**

**Explanation of State Revenues:** This bill could decrease the amount of Sales Tax revenue collected by the state beginning in FY 2009. If the sale of over-the-counter (OTC) drugs under a prescription increases, there will be an indeterminable decrease in the amount of Sales Tax collected in the state. Under current law, sales of OTC drugs without a prescription are taxable while sales of any drug under a prescription are exempt from Sales Tax. Therefore, if there is an increase in the sales of OTC drugs under a prescription, there will be an increase in exempt sales and a decrease in taxable sales. The impact is expected to be minimal.

Sales Tax revenue is deposited in the Property Tax Replacement Fund (50%), the state General Fund (49.067%), the Public Mass Transportation Fund (0.76%), the Commuter Rail Service Fund (0.14%), and the Industrial Rail Service Fund (0.033%).

**Explanation of Local Expenditures:**

**Explanation of Local Revenues:**

**State Agencies Affected:**

**Local Agencies Affected:**

**Information Sources:**

**Fiscal Analyst:** Adam Brown, 317-232-9854.